

# Fauquier County Economic Indicators

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**June 30, 2019**  
**Office of Management and Budget**

## **I. Executive Summary**

Fiscal health can be measured by a myriad of factors which provide insight to current and historical economic conditions, future projections, budget preparation, and determining needs or priorities of the community.

The data provided in this document is a means of presenting fiscal health characteristics in terms of current and historical trends. The data provides a quick snapshot of the market today to indicate where the market is moving, and/or utilizes historical trends to display the market trends over multiple fiscal or calendar years. Current trends provide context for the historical trends of the economic environment, its prolonged expansion or contraction of the market, and signs of change.



The information that follows was derived from various sources including federal, state, and local government and the private sector. The information collected is based on 6 key categories for both current and historical trends: businesses, community development fees and permit issuances, employment, residential sales, local revenues, and taxable sales.








Section II of the document provides a table of key observations for both current and historical economic indicators. For current economic indicators, observations are given a rating of positive, neutral, or negative based on their impact to the economic environment. Section III of the document provides an overview of the economic indicator categories with various graphs. The section is divided into two sections: current and historical economic indicators.

## II. Trends and Analysis

### A. Current Economic Indicators

The following table displays key observations in the review of current economic indicators. The trend for each key indicator listed below is rated by one of the following symbols:

-  **Positive trends observed; can be an indicator of market expansion**
- **Neutral trends observed; changes can be an indicator of decline or growth**
-  **Negative trends observed; can be an indicator of market contraction**

Category	Indicator	Trend	Comments
Community Development	Community Development Fees		Community Development fees experienced an 11% increase in FY 2019.
Community Development	Building & New Residential Construction Permits		Permitting volume experienced an 0.2% decrease in FY 2019, and new construction permits saw a decrease of 39%. In addition, construction value of permits saw a slight decrease of 2.0% this fiscal year.
Employment	Unemployment Rate		The current unemployment levels are significantly below the County's ten and five-year averages of 4.6% (2008-2018) and 4.7% (2013-2018). The County's unemployment rate was 2.6% at the end of June 2019, down 0.37% from the same period last fiscal year. Fauquier County ranked 13 <sup>th</sup> lowest overall in unemployment for the state.
Employment	Unemployment Insurance Claims		Continued and initial unemployment insurance claims continue to experience seasonal fluctuation, with decreases in continued unemployment insurance claims throughout FY 2019.
Local Revenue	County Sales Tax Collections		The County sales tax collections saw an increase of 5.9% in FY 2019, as compared to FY 2018.
Residential Housing Market	Days Houses are on Market		At the end of FY 2019 the average days on the market decreased by 18.9% as compared to the same period in FY 2018. This was fewer days on the market than the rest of the region but in line with seasonal fluctuation, at a lower rate of change.
Residential Housing Market	Median Sales Price		Median home sale values increased by 2.3% at the end of FY 2019 as compared to the end of FY 2018, tracking similar to the rest of the region.
Residential Housing Market	Number of Homes Sold	-	The number of home sales saw a slight increase of 0.8% at the end of FY 2019, as compared to the same period in FY 2018. While active listings saw an almost 13%, the number of home sales was nearly flat.

## B. Historic Economic Indicators

The following table displays trends and observations relative to historic economic indicators and how those observations may impact current economic indicators.

Category	Indicator	Trend	Comments
Businesses	Number of New Licenses Issued	↓	The number of new licenses issued for businesses in FY 2019 decreased 6.7% from FY 2018, however still showing an increase over the previous ten years.
Businesses	Number of Start-up Firms	-	Seasonal fluctuation remains, with the estimated number of start-up firms seeing an increase of 61% at the end of the second quarter of CY 2019 as compared to the same period in CY 2018.
Taxable Sales	Taxable Sales	-	Taxable sales continue to improve year-over-year, with only seasonal fluctuation, similar to the entire region.

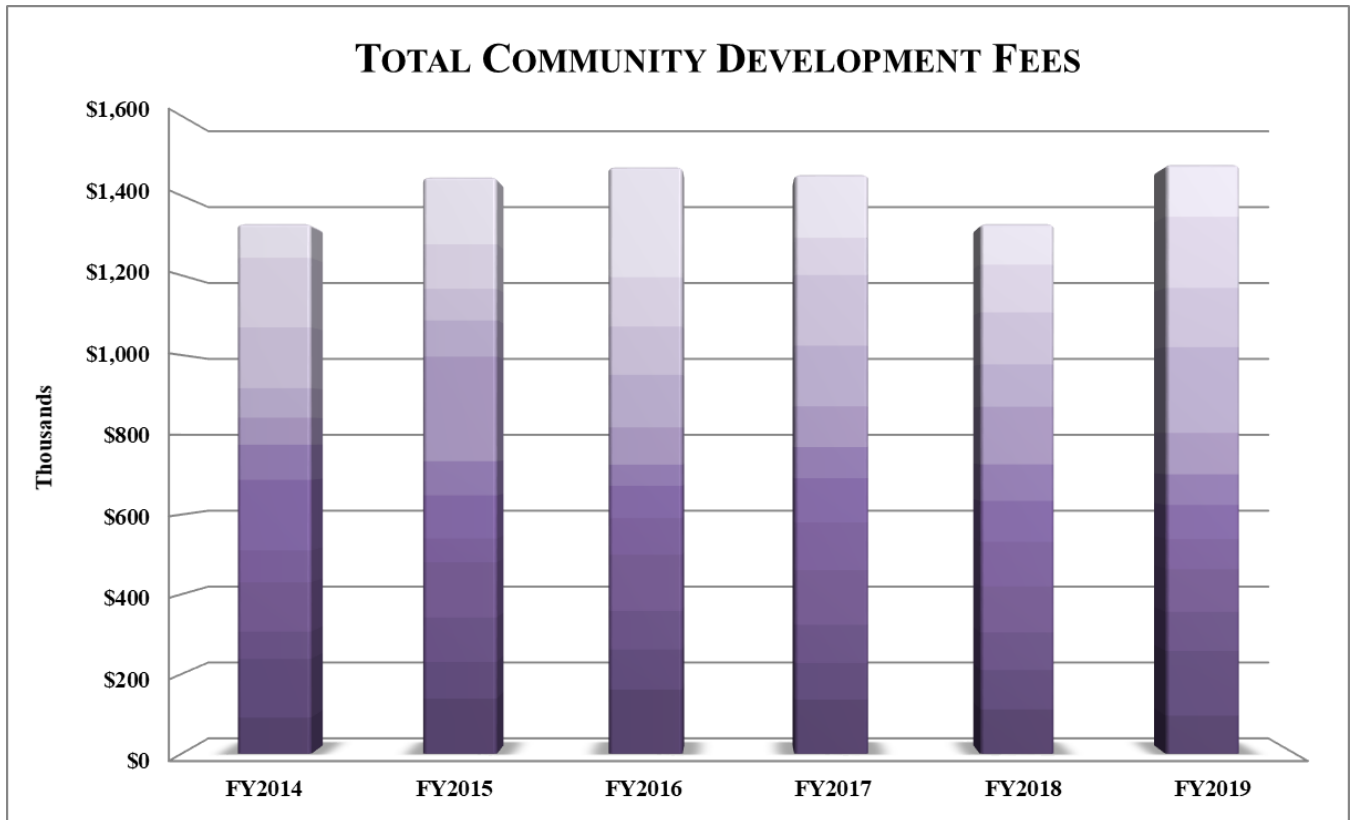
## III. Economic Indicators – Data

### A. Current Economic Indicators Data

#### 1. Community Development

##### a) Community Development Fees

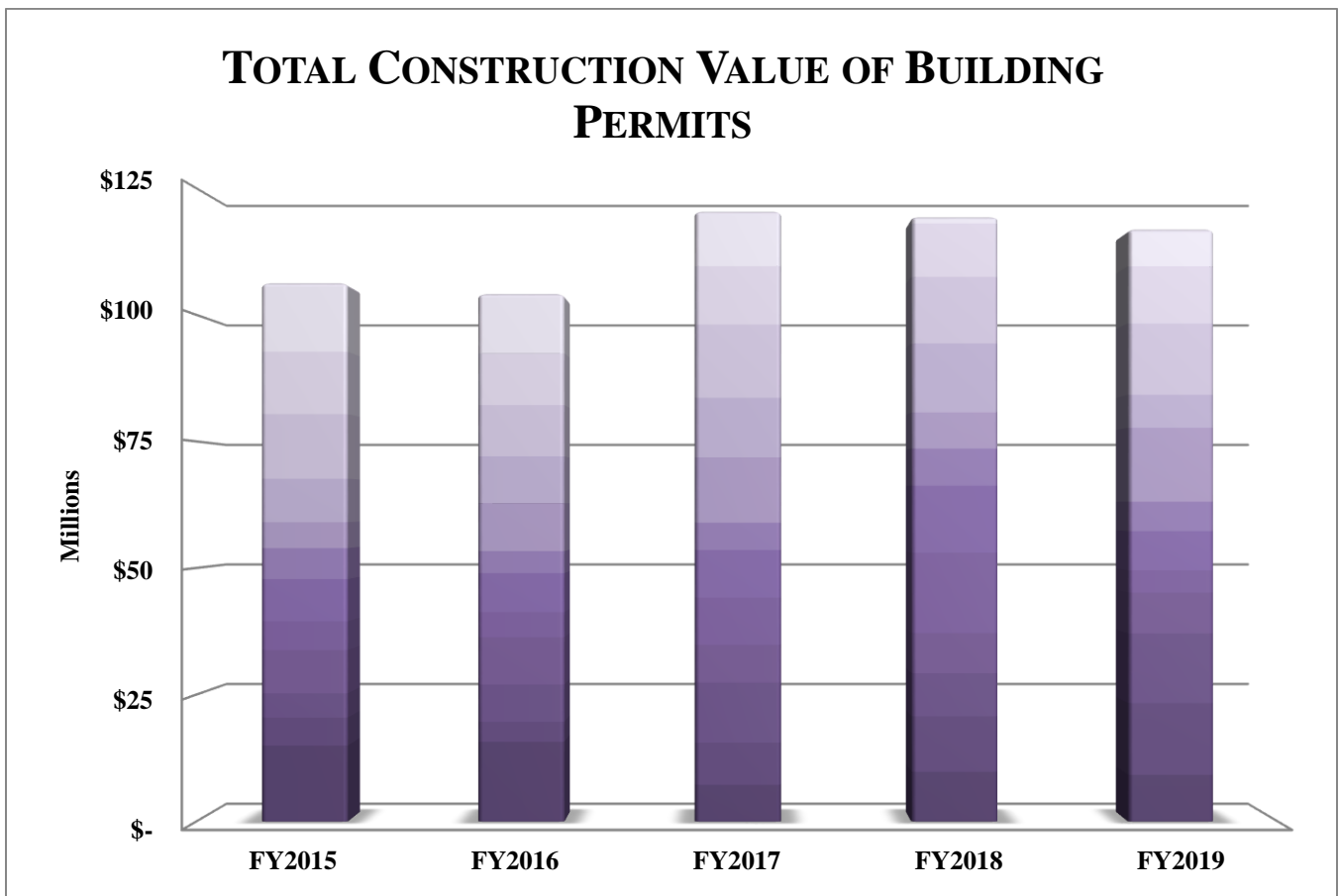
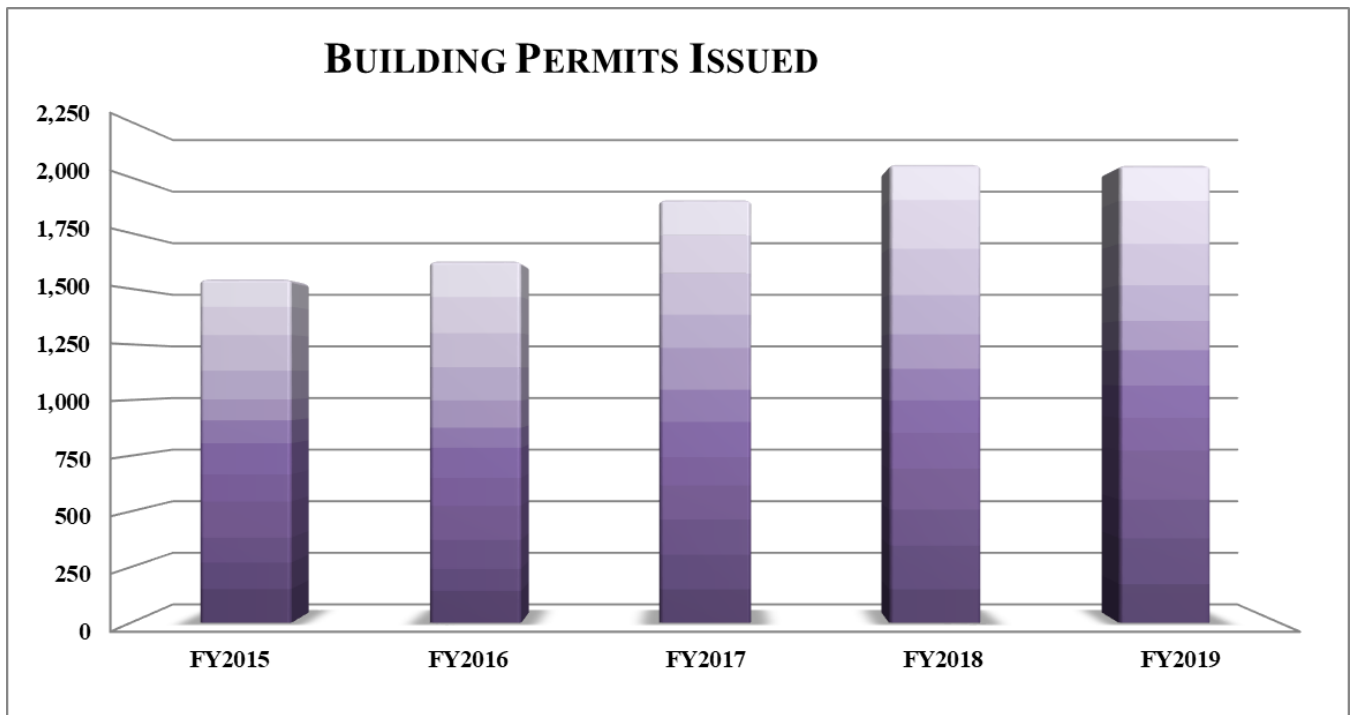
Community Development Fee revenue increased by 11% in fiscal year 2019 after an 8% decrease in FY18 fee revenue, as compared to the previous fiscal year. Overall, the volume of building permits issued in the County is trending flat with the same period of comparison.



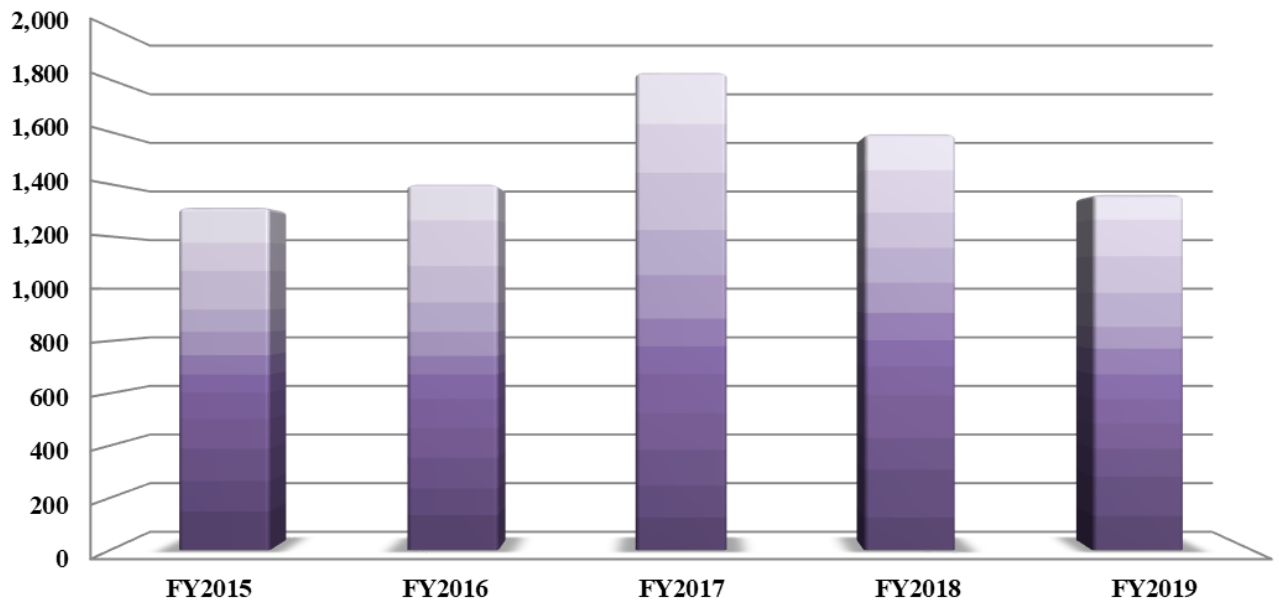
Source: Community Development.

##### b) Building Permits

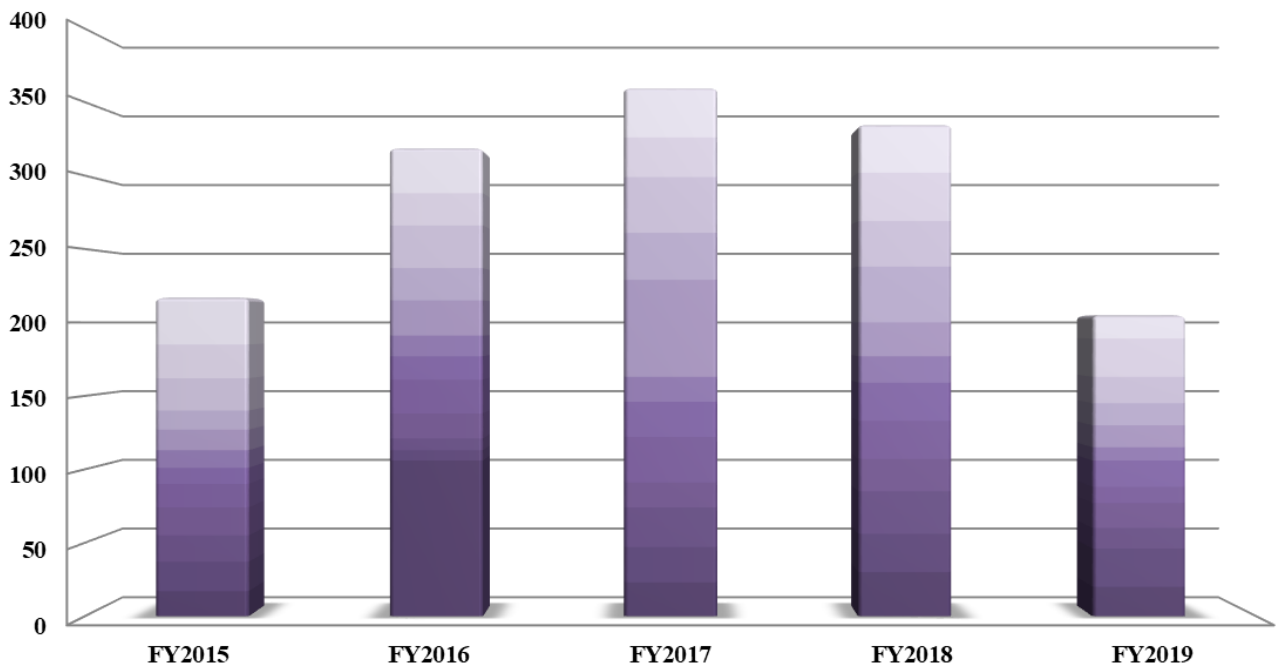
Building permits issued decreased by 0.2% in FY 2019 as compared to the same period in FY 2018, with a decrease of 39% in new residential construction permits. The value of building permits also decreased slightly by 2.0%, and residential plans reviewed went down by 17% in FY 2019, as compared to the same period last year. Overall construction values saw a slight downward trend compared to recent years.



## RESIDENTIAL PLAN REVIEWS



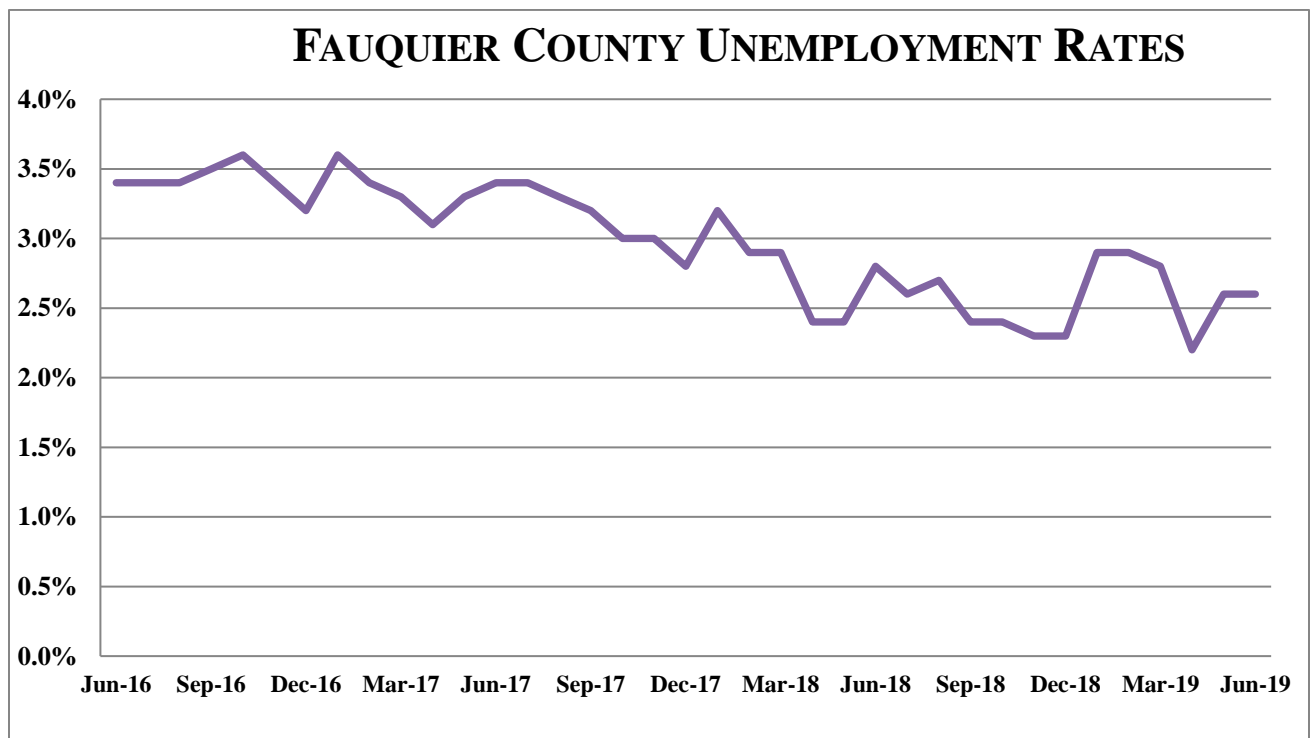
## NEW HOME CONSTRUCTION PERMITS ISSUED BY YEAR



## 2. Employment

### a) Unemployment Rates

The Fauquier County unemployment rate continued to decline in FY 2019, down 4.6% as compared to FY 2018. The County saw the lowest rate in more than 7 years with an unemployment rate of 2.2% in April of 2019 before climbing slightly in May. These trends are in line with the state and the surrounding regions. In comparison to other local jurisdictions, Fauquier County's June 2019 unemployment rate of 2.6% matches Prince William County and trails Fairfax, Loudoun, and Rappahannock and leads Culpeper, Stafford, and Spotsylvania. Overall for the Commonwealth, Fauquier County ranked 13<sup>th</sup> out of Virginia counties, behind other localities such as Alexandria, and Falls Church cities.

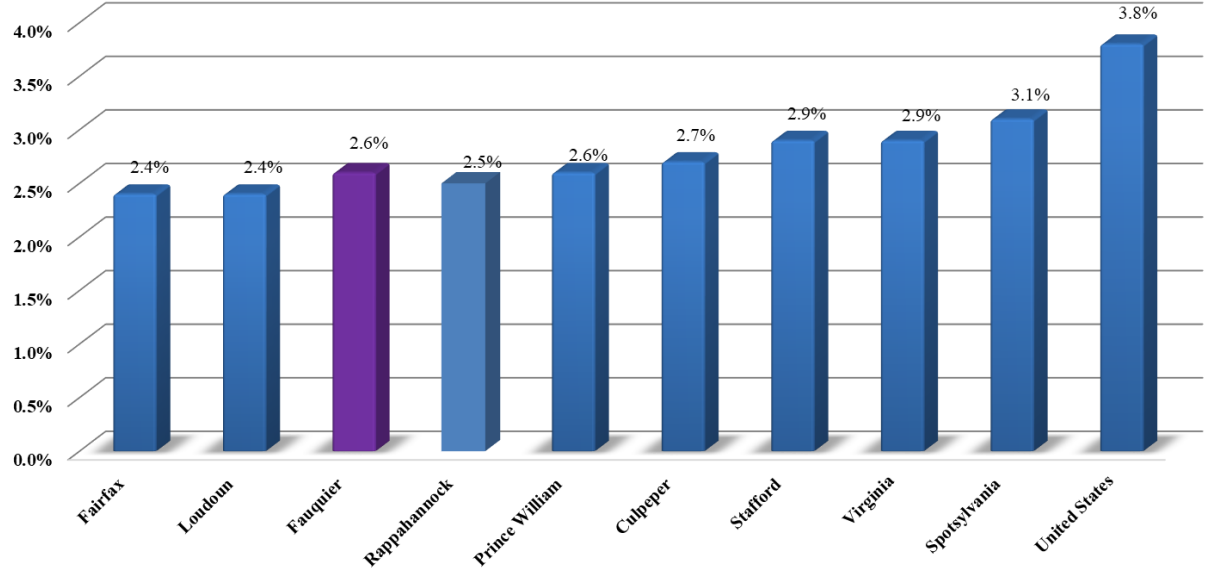


Source: Virginia Employment Commission.



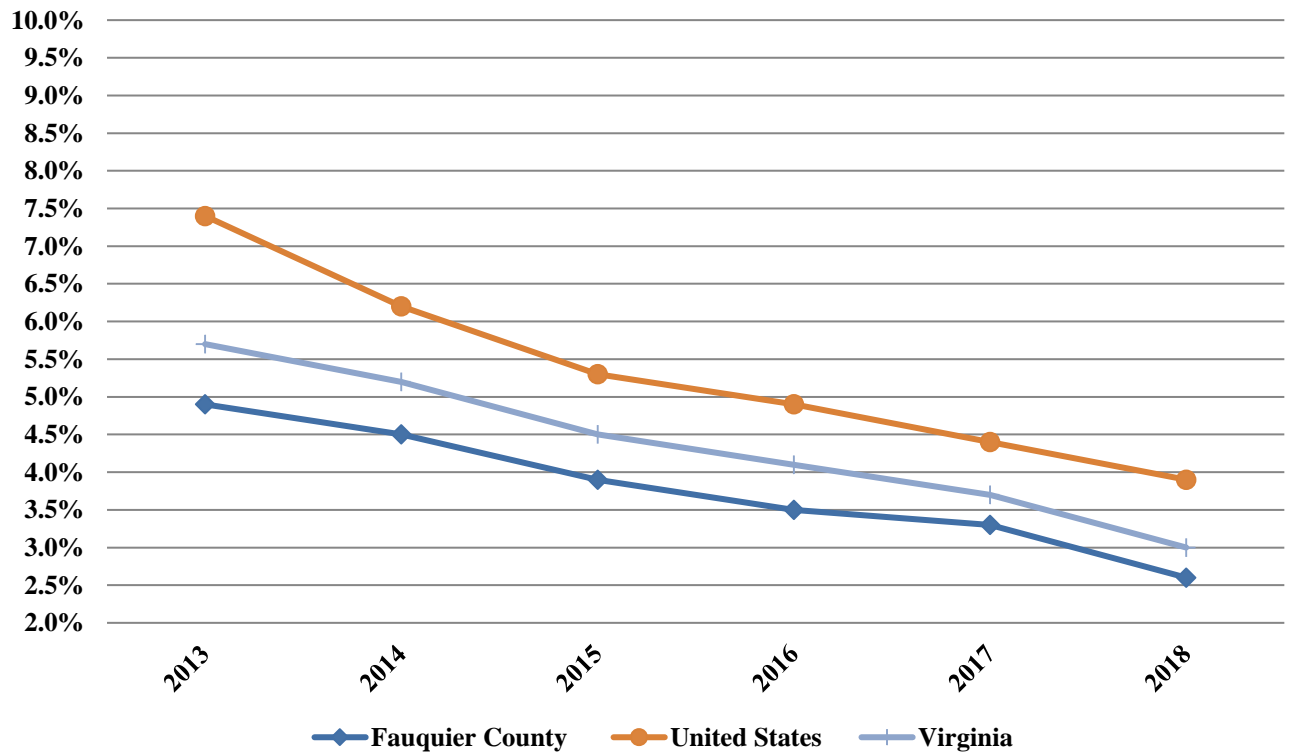
## JUNE 30, 2019 UNEMPLOYMENT RATES

NOT SEASONALLY ADJUSTED



## Average Unemployment Rates by Calendar Year

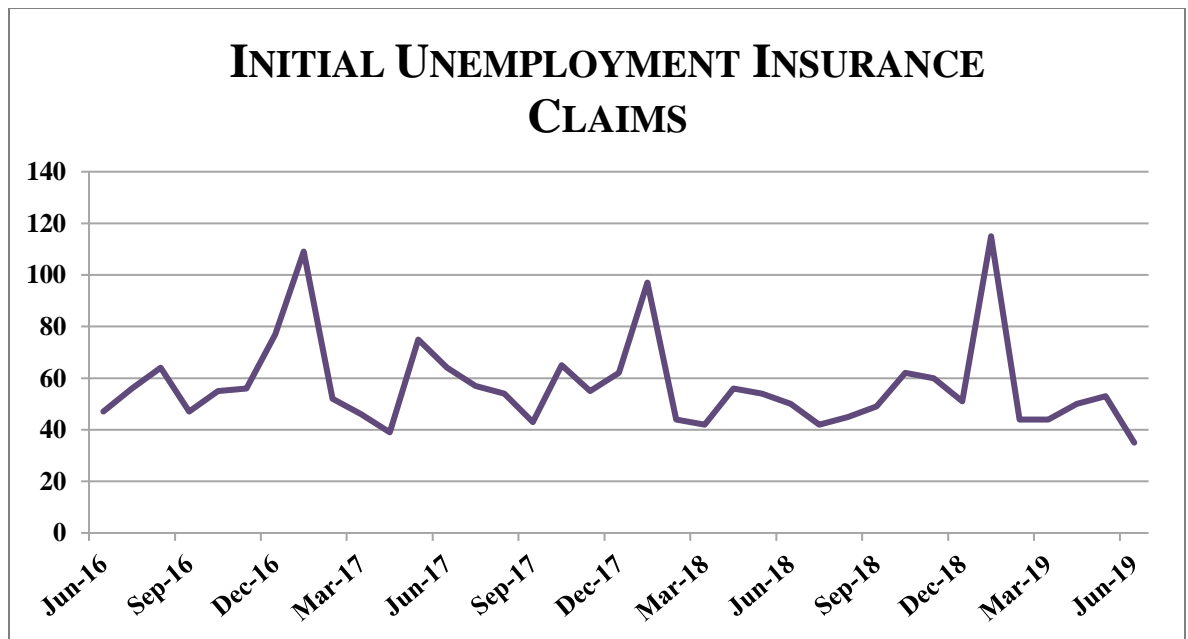
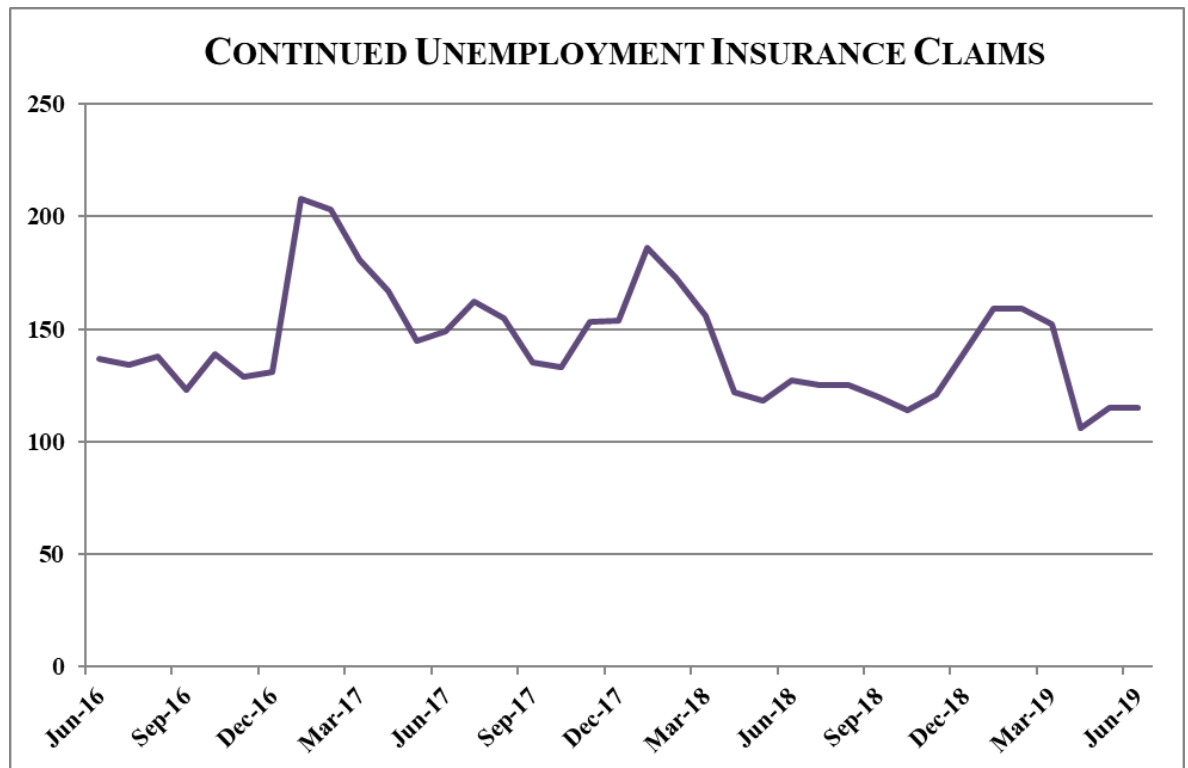
not seasonally adjusted



Source: Virginia Employment Commission.

## b) Unemployment Insurance Claims

Continued unemployment insurance claims saw a 12.6% decrease in FY 2019, as compared to the last year fiscal, while initial unemployment claims saw a decrease of 4.5% as compared to last fiscal year, consistent with seasonal fluctuation.



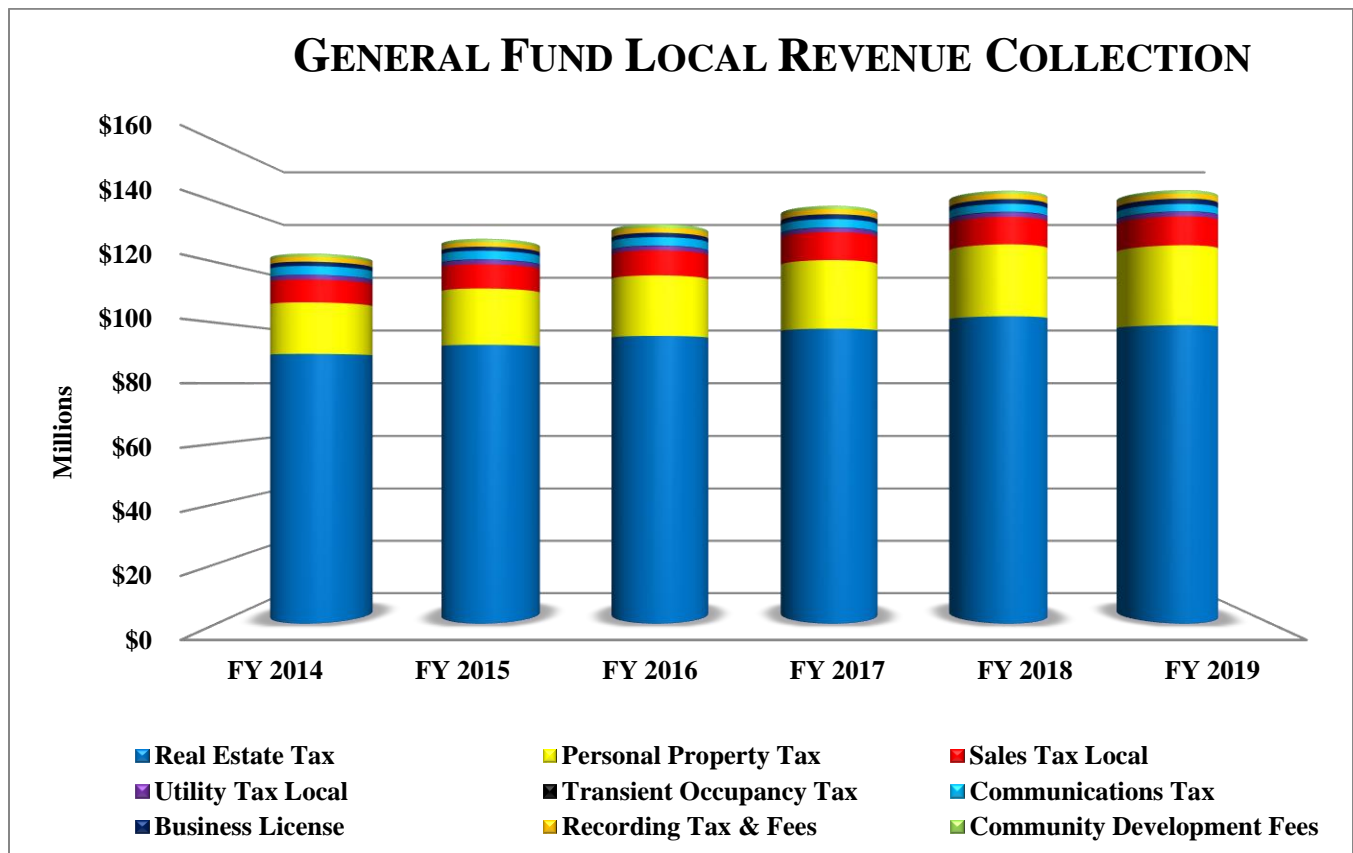
Source: Virginia Employment Commission

## 3. Local Revenues

The following graphs display key General Fund local revenue sources. Local revenue sources observed are real estate tax, personal property tax, sales taxes, utility tax, recording tax and fees, business and other professional licensing tax and fees, and transient occupancy tax revenue.

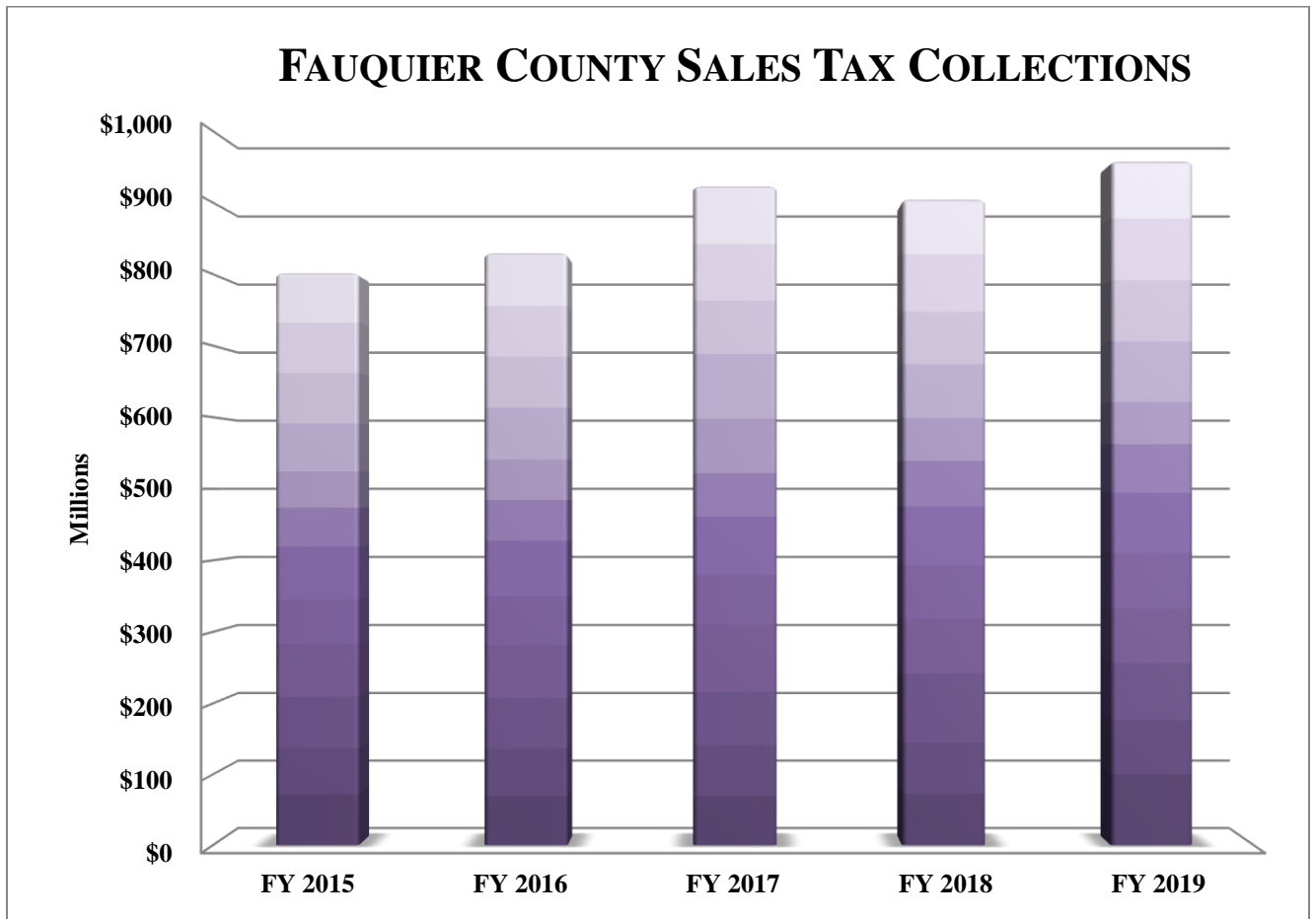
### a) General Fund Local Revenue Collection

General Fund local revenues increased slightly in FY 2019, with a slight increase of 0.16% as compared to FY 2018. The most significant growth in FY 2019 can be found in business licenses, community development fees, and personal property taxes.



**b) Sales Tax Revenue**

Monthly sales tax collections experienced a slight decrease in FY 2018 but increased by 5.9% in FY 2019.

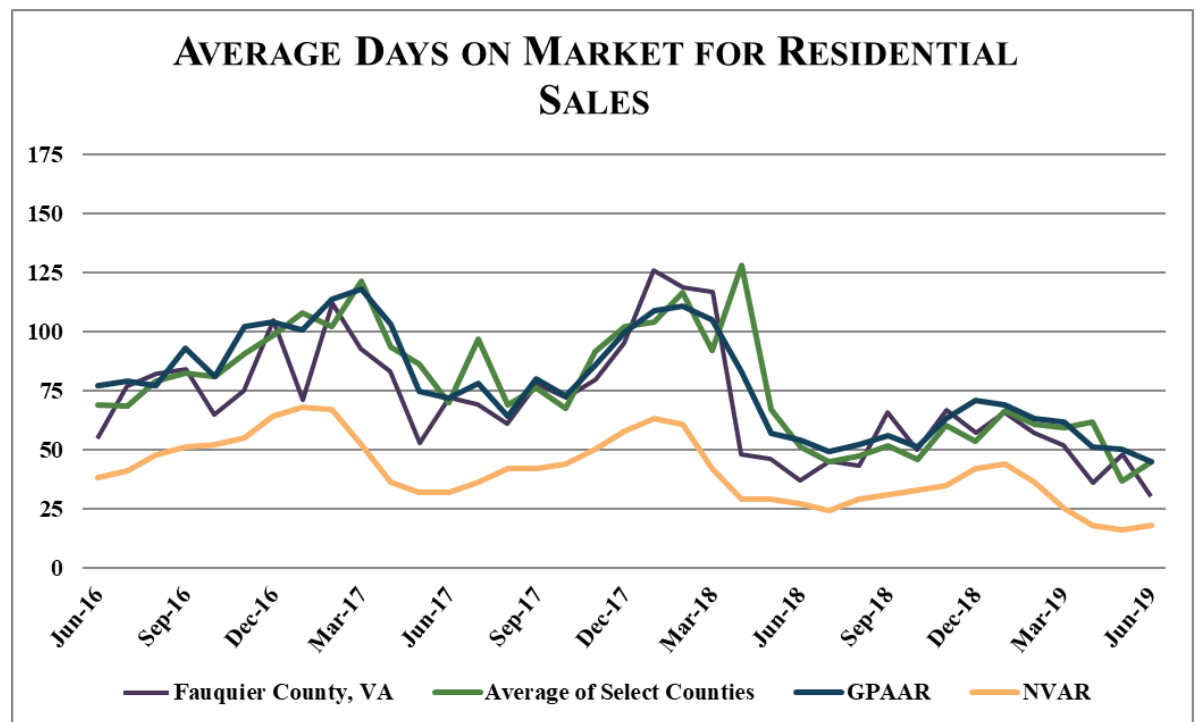


## 4. Residential Housing Market – Current Data

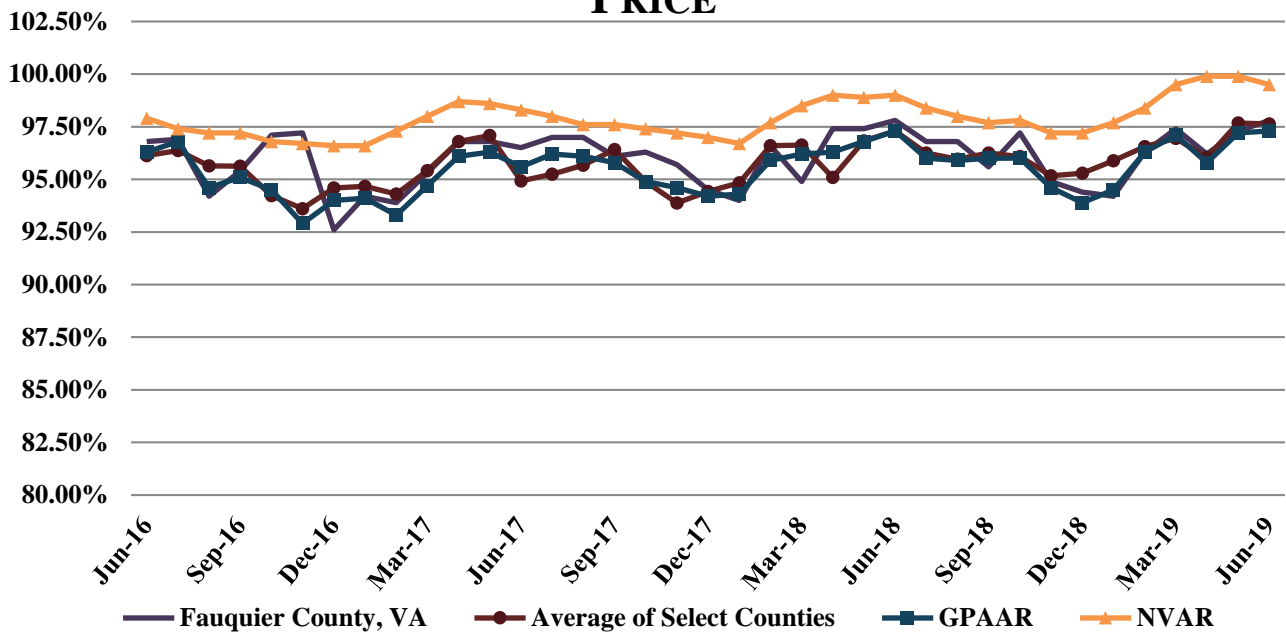
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an average of select counties. The Greater Piedmont Area Association of Realtors (GPAAR) is composed of the following counties: Fauquier, Culpeper, Orange, Madison, and Rappahannock. The Northern Virginia Association of Realtors (NVAR) is composed of the following counties or cities: Fairfax County, City of Fairfax, Arlington County, City of Alexandria, and City of Falls Church. The selected counties for purposes of averaging include Fauquier, Culpeper, Orange, Madison, Fairfax, Loudoun, Prince William, Rappahannock, and Spotsylvania.

### a) Residential Sales

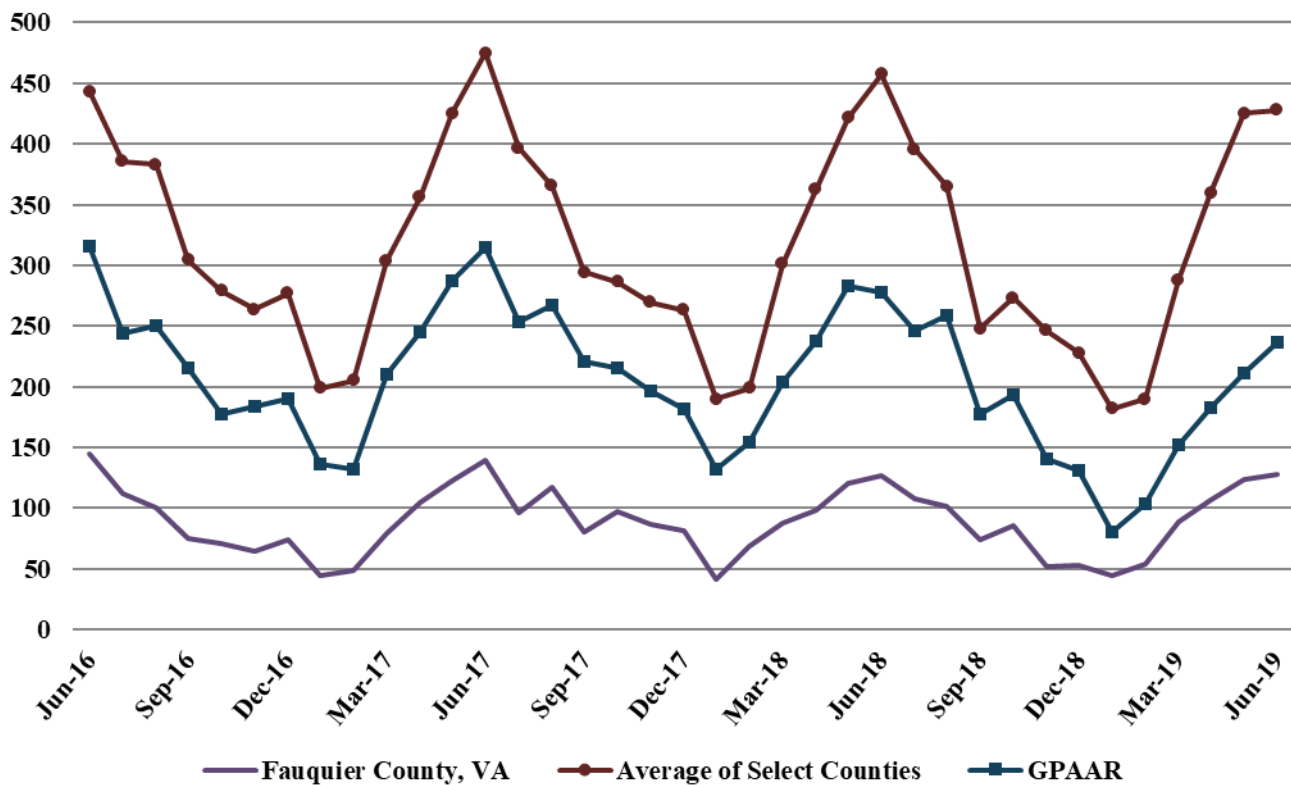
The County's housing market has remained relatively stable throughout FY 2019, with only normal seasonal fluctuation. The number of units sold increased by approximately 0.79% in FY 2019 with the median sales price also increasing by more than 2% as compared to the same period in FY 2018. This region saw similar median sales prices throughout and a reduction in the average days on the market.



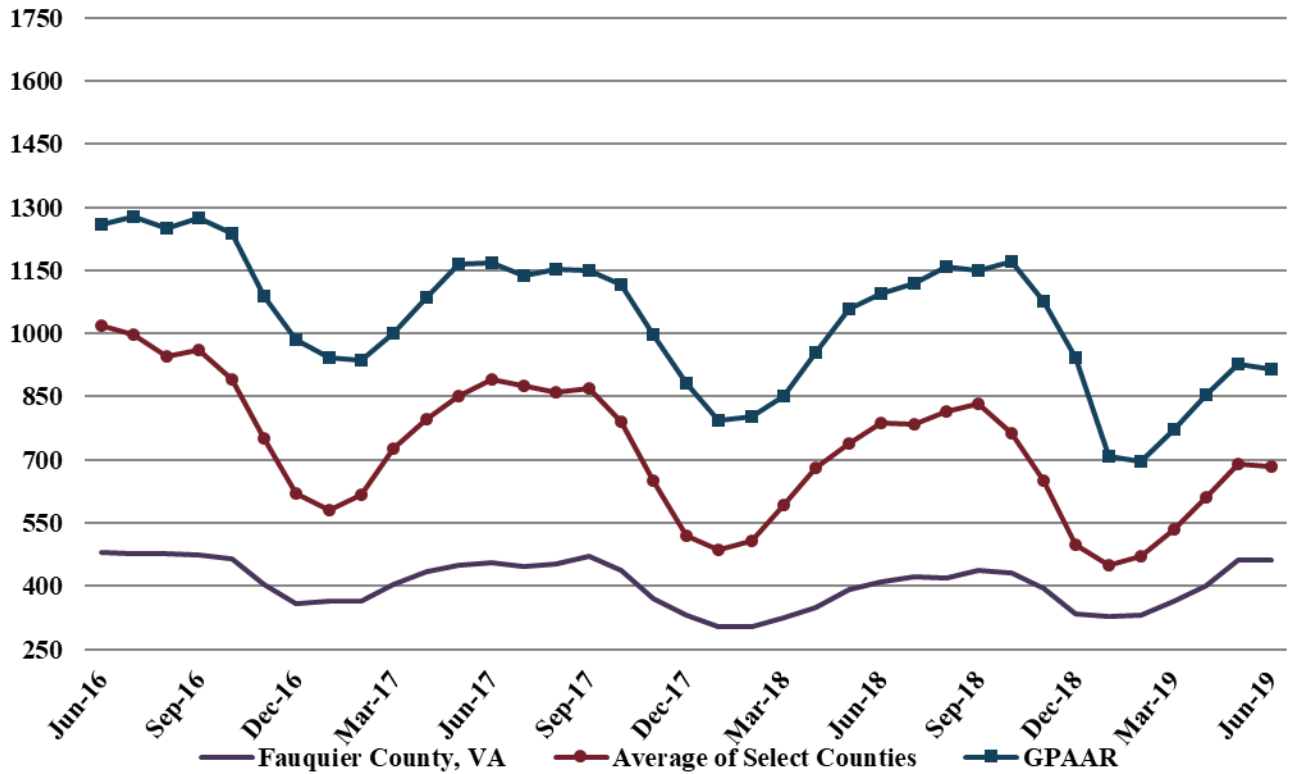
## AVERAGE SALES PRICE AS A % OF AVERAGE LIST PRICE



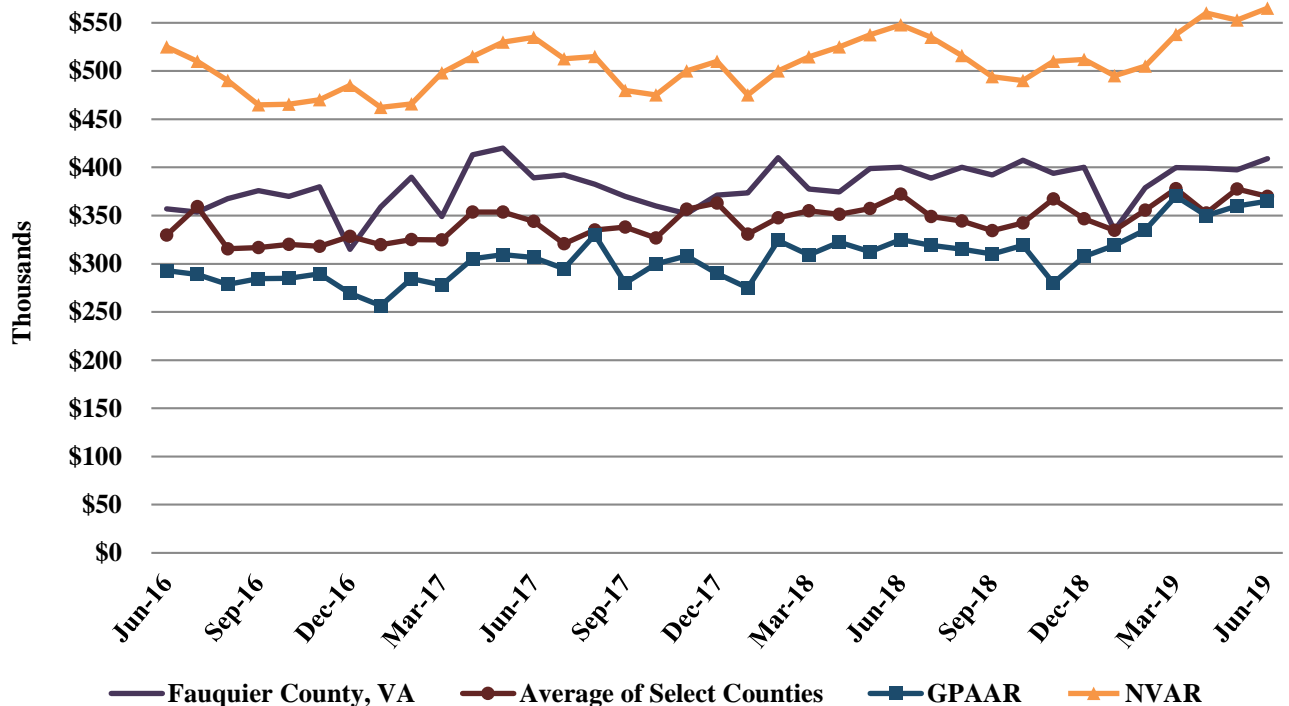
## NUMBER OF HOME SALES



## ACTIVE LISTINGS



## MEDIAN HOME SALES PRICE

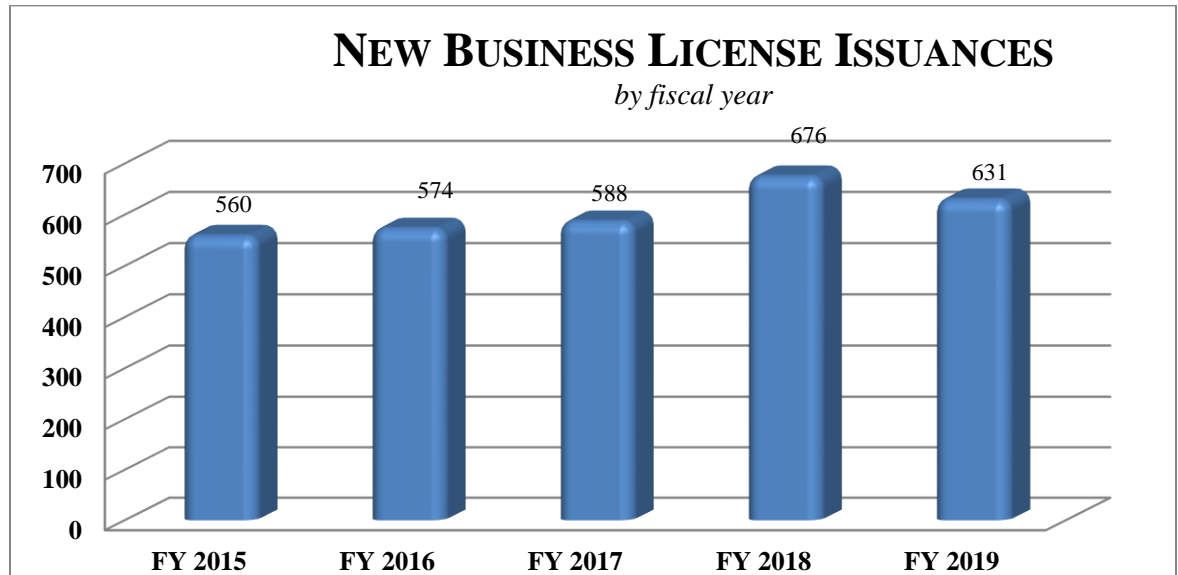


Source: Metropolitan Regional Information Systems, Inc. (MRIS)

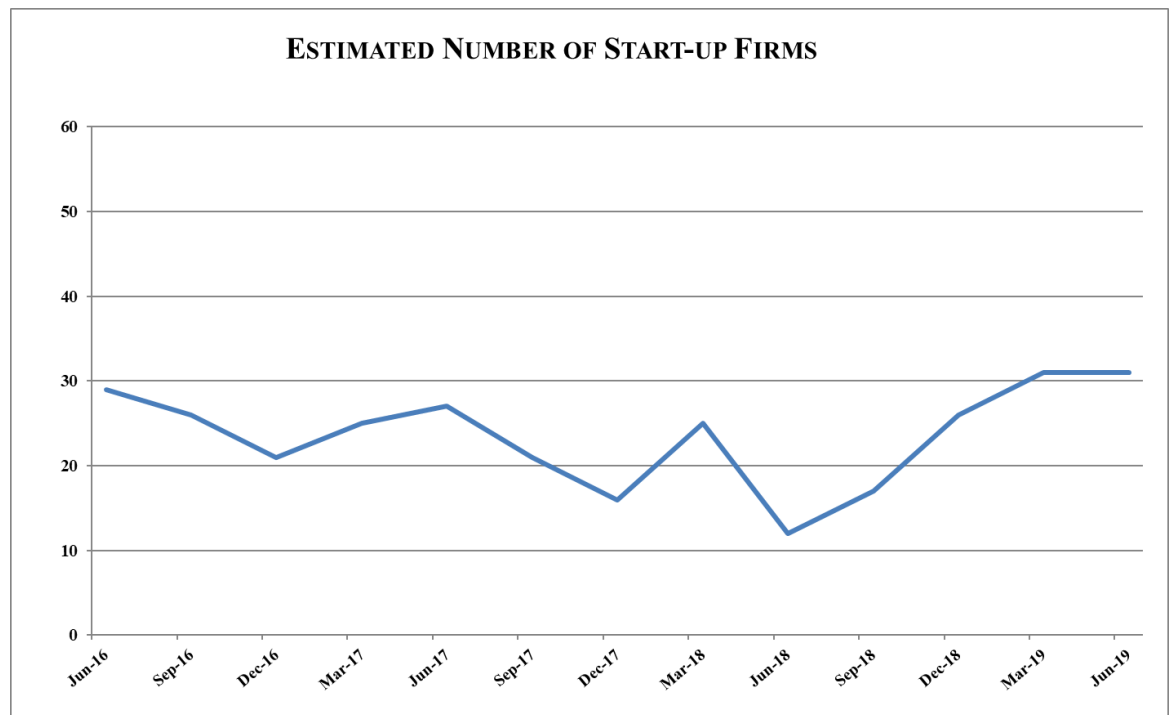
## B. Historical Economic Indicators Data

### 1. Businesses

The number of new licenses issued for businesses remains strong however there was a decline of 6.7% in FY 2019 as compared to FY 2018. FY 2019 issuances remain well above averages for the previous ten years. After dipping mid-2018, the number of start-up firms saw a steady increase beginning in the third quarter of 2018 before leveling off mid-2019 at the highest quarterly number in approximately four years.



Source: Commissioner of the Revenue.



Source: Virginia Employment Commission, as of December 2019

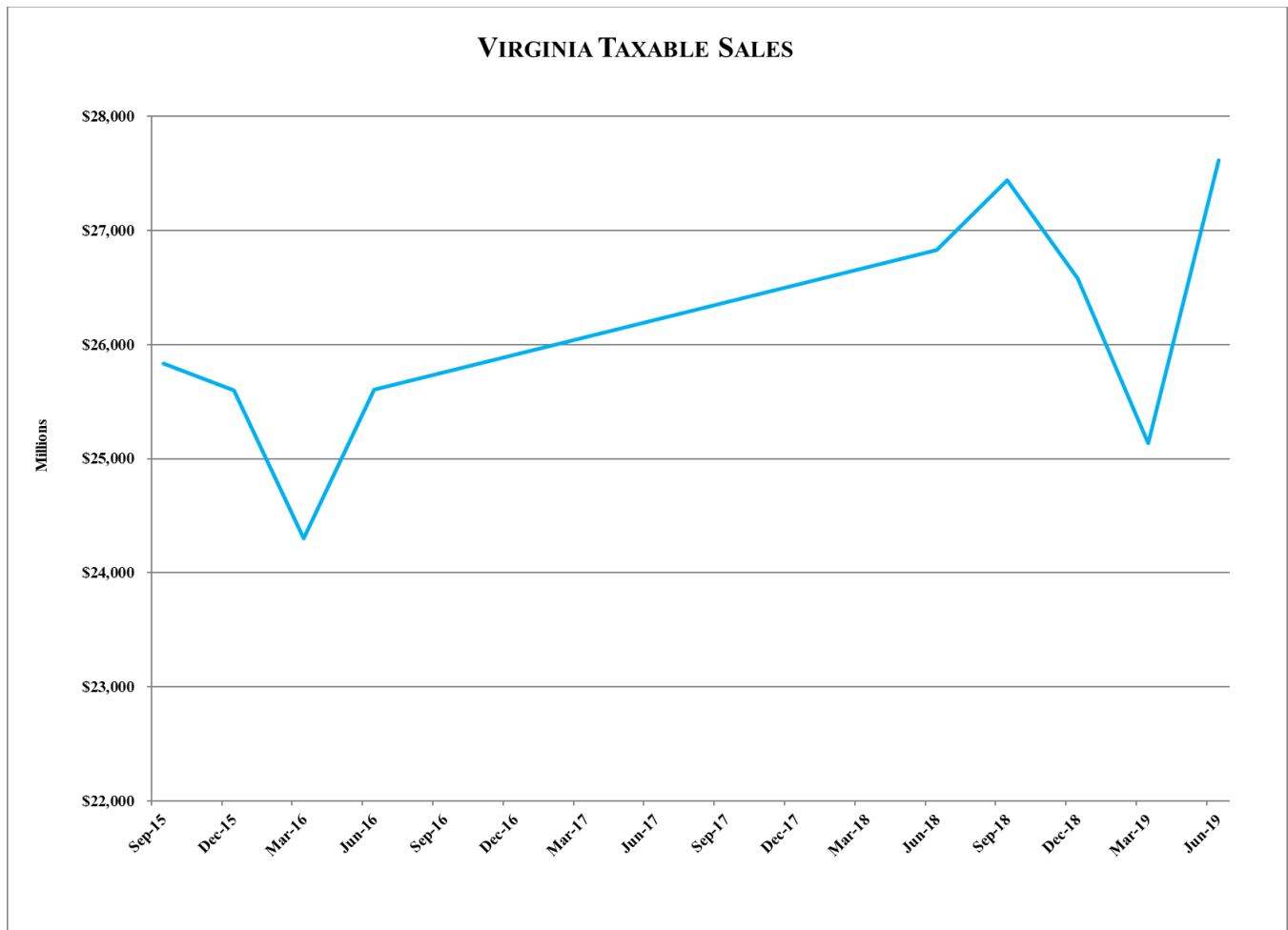


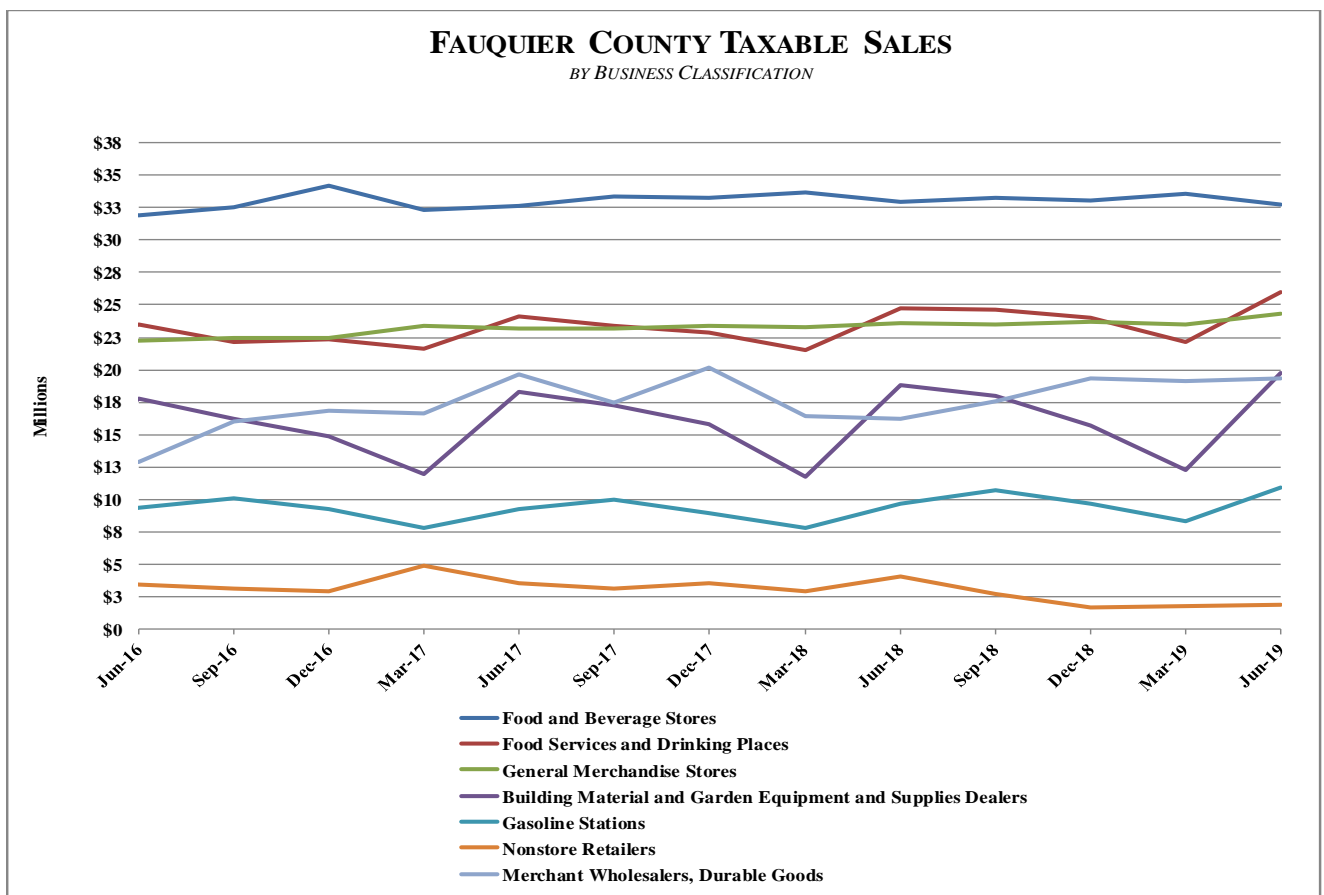
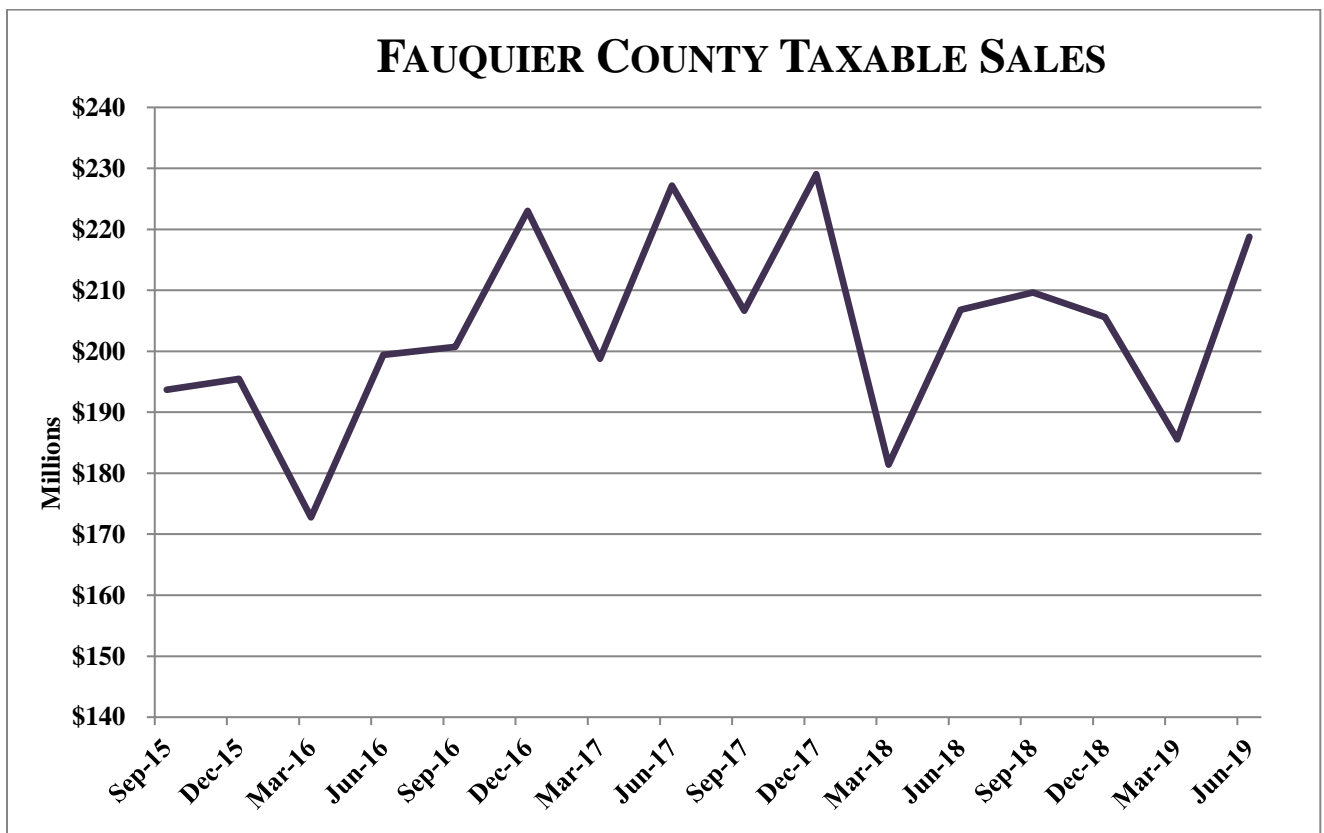
## 2. Taxable Sales

The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

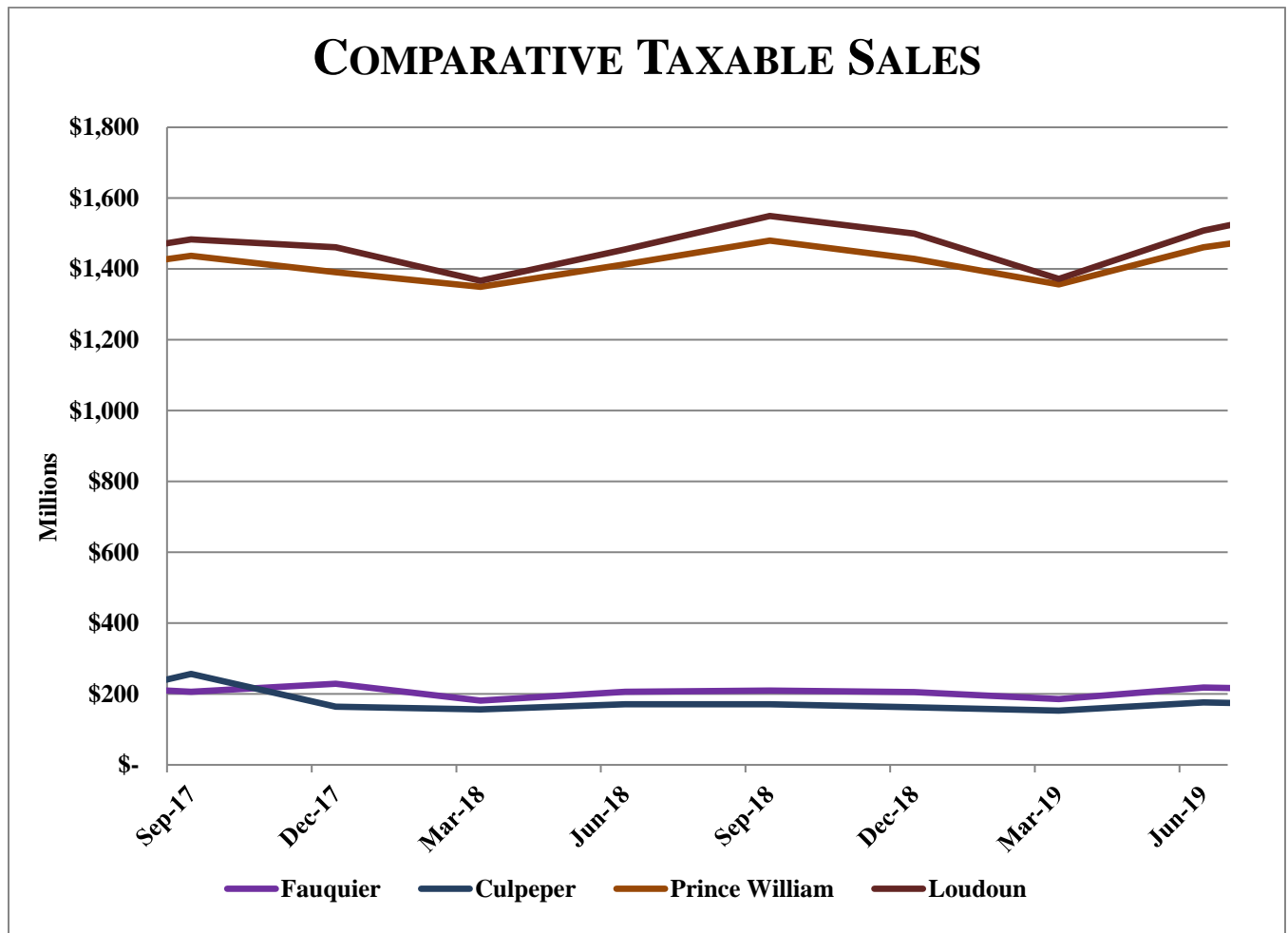
- Virginia statewide taxable sales;
- Fauquier County taxable sales;
- Fauquier County total taxable sales for business classifications with sales in excess of \$10 million at the beginning or end of the recession; and
- Fauquier County taxable sales in comparison to Prince William, Loudoun, and Culpeper Counties.

At the end of the second quarter of FY 2019, the County experienced an almost 5.5% increase in taxable sales as compared to the same period in FY 2018. Taxable sales classification, Merchant Wholesalers, Durable Goods saw an increase of 18.9% in in FY 2019 as compared to the same period in FY 2018, however Nonstore Retailers decreased significantly. Gasoline Stations, Building Material and Garden Equipment Supplies Dealers, Food Services and Drinking Places, and General Merchandise Stores also saw increases of 12.0%, 5.3%, 5.1%, and 3.1% respectively.





Note: Categories displayed only represent those classifications that had \$10 million or more in monthly sales prior to the recession.  
 Source: Weldon Cooper Center for Public Service, UVA.



Source: Weldon Cooper Center for Public Service, UVA.